

106TH CONGRESS
2D SESSION

S. RES. 350

Expressing the sense of the Senate regarding the Republic of India's closed market to United States ash exports.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 8, 2000

Mr. THOMAS (for himself and Mr. ENZI) submitted the following resolution;
which was referred to the Committee on Finance

A RESOLUTION

Expressing the sense of the Senate regarding the Republic of India's closed market to United States ash exports.

Whereas the United States had a \$5.4 billion trade deficit with India in 1999, due in part to India's restrictive trade practices which keep otherwise competitive foreign goods from entering the Indian market;

Whereas United States soda ash, a chemical used predominantly in making glass, is one of the products being kept from entering the Indian market by those restrictive trade practices;

Whereas India's barriers to United States soda ash imports include a tariff which in 1997 was 35 percent, putting it among the highest in the world;

Whereas India's tariff barriers have steadily increased since 1997 by, inter alia:

(1) a 4 percent special additional tariff introduced in 1998 on nearly all imports;

(2) an additional 10 percent surcharge added to the applied existing tariff rates in 1999 on nearly all imports; and

(3) a "customs simplification" in 1999 which increased by 5 percent tariffs previously set at 0 percent, 10 percent, 20 percent and 30 percent rates;

Whereas India's 1999/2000 budget has further increased the tariff on soda ash to 38.5 percent, making it the highest in the world and creating an impossible trade barrier for individual United States soda ash exports to overcome in order to remain competitive;

Whereas India has erected further barriers to United States soda ash through the imposition of a "temporary" order by India's Monopolies and Restrictive Trade Practices Commission ("MRTPC"), which precludes United States producers from exporting to India through the American Natural Soda Ash Corporation ("ANSAC"), an export trading joint venture which operates in strict accordance with the provisions of the Export Trade Promotion Act of 1917 (15 U.S. Code Sec. 61 et seq.) and the Export Trading Company Act of 1982 (15 U.S. Code Sec. 4001 et seq.);

Whereas this MRTPC order effectively maintains a complete and total de facto embargo on United States soda ash exports to India;

Whereas it appears that the MRTPC order was issued at the behest of Indian soda ash producers solely to protect

their local market monopoly, rather than for legitimate reasons;

Whereas since 1995 the United States Trade Representative's ("USTR") National Trade Estimate Report to Congress has identified India's denial of United States access to its soda ash market as a high priority;

Whereas, in January 1999, in response to an ANSAC petition, the USTR initiated a "country practice" petition to suspend India's duty-free benefits under the Generalized System of Preferences ("GSP") program on the grounds that India, by virtue of the foregoing tariffs and orders, fails to provide the United States equitable and reasonable access to its soda ash market;

Whereas, on February 14, 2000, U.S. Trade Representative Barshefsky and Secretary of Commerce Daley issued a joint press release concluding that "U.S. soda ash is being shut out of the Indian market;"

Whereas, in March 2000, in apparent response to ANSAC's efforts to open India's soda ash market, the MRTPC issued a "show cause" order why ANSAC representatives should not be held in criminal contempt;

Whereas the basis for that show cause order were statements made by ANSAC representatives during testimony before the USTR's GSP Subcommittee at a hearing in Washington in March 1999, which statements characterized the Indian soda ash market as closed and the actions of the MRTPC as unfair;

Whereas the actions of the MRTPC appear to be designed to ensure that India's market remains closed to United States exports; and

Whereas the unfair closure of India's market to United States soda ash exports runs counter to the concepts of fair and free trade and to the interests of India's soda ash consumers: Now, therefore, be it

1 *Resolved*, That—

2 (1) it is the sense of the Senate that India's
3 tariffs on United States soda ash exports are exces-
4 sive and are designed solely to exclude unfairly
5 United States producers from the Indian market;

6 (2) the Senate strongly urges President Clinton,
7 the USTR and the Government of India to use the
8 mid-September visit to Washington of India's Prime
9 Minister Vajpayee as an opportunity to address and
10 settle the soda ash dispute by allowing United States
11 soda ash equitable and reasonable access to the In-
12 dian market through the ANSAC joint venture at
13 tariff reduced rates consistent with WTO normaliza-
14 tion levels; and

15 (3) the Senate calls on the President and the
16 USTR, in the absence of such a settlement, prompt-
17 ly to begin the process of suspending India's GSP
18 benefits.

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